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9 (For additional counsel see next page)

10 UNITED STATES DISTRICT COURT
11 NORTHERN DISTRICT OF CALIFORNIA
12 SAN FRANCISCO DIVISION
13

14 ASUSTEK COMPUTER INC. and ASUS
15 COMPUTER INTERNATIONAL,

16 Plaintiff,

17 v.

18 RICOH COMPANY, LTD.,

19 Defendant.

CASE NO. C 07-01942-MHP

**JOINT CASE MANAGEMENT
CONFERENCE STATEMENT**

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1 Pursuant to Civil L.R. 16-9(a), the parties to the above entitled action certify that they met
2 and conferred as required by Rule 26(f) of the Federal Rules of Civil Procedure, on August 15,
3 2007, to develop a proposed discovery plan. Accordingly, the parties to the above-entitled action
4 submit this Joint Preliminary Case Management Conference Statement.

5 **1. Jurisdiction and Service:**

6 **Plaintiff's Statement:**

7 ASUSTEK has alleged that this Court has jurisdiction over all claims for declaratory
8 judgment of patent non-infringement and invalidity pursuant to 28 U.S.C. §§ 1331 and 1338(a),
9 the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202, and under the laws of the United
10 States concerning patents, 35 U.S.C. §§ 1 *et seq.* ASUSTEK has further alleged that personal
11 jurisdiction over RICOH is proper in this Court because RICOH has continuous, systematic, and
12 substantial contacts with the State of California. On information and belief, RICOH sells, offers
13 to sell, imports, repairs, and services products in California, including the Northern District of
14 California. Upon further information and belief, RICOH has participated as a party in the past,
15 and is currently a party in other actions that are now pending, in the Northern District of
16 California. Furthermore, this Court has already determined that RICOH "maintains a significant
17 business presence in the forum (sales, manufacturing, and R&D)." *See* Document 41 filed in
18 Civil Action No. 3:03-cv-02289-MJJ (Sept. 22, 2003).

19 Venue is proper in the Northern District of California under 28 U.S.C. §§ 1391(b),
20 1391(c), and 1391(d).

21 Shortly after this action was filed in April, 2007, RICOH's outside counsel (the same
22 counsel used by RICOH in the prior WISCONSIN ACTION) refused to accept service unless
23 RICOH was given an extension until October 2007 to respond. Believing this extension to be
24 excessive, ASUSTEK proceeded to serve RICOH via international registered mail pursuant to
25 Rule 4(f)(2)(c)(ii). In a letter dated April 25, 2007, RICOH acknowledged receiving and
26 reviewing the Complaint, but purported to reject service. The Ninth Circuit has permitted service
27 to foreign entities via international registered mail. *See e.g., Brockmeyer v. May*, 383 F.3d 798
28 (9th Cir. 2004). RICOH has filed a motion challenging ASUSTEK's service of the summons,

1 hoping to further delay these proceedings.

2 **Defendant's Statement:**

3 RICOH has yet to be effectively served with the complaint in this matter. ASUSTEK's
4 counsel rejected an offer by RICOH's counsel to accept service in exchange for an extension of
5 time in which to respond to the complaint. The only way in which ASUSTEK has attempted to
6 serve RICOH is by sending a copy of the complaint via Federal Express to Shin-Yokohama,
7 Japan. Service of process on foreign entities via international mail is not permitted where such
8 service is inconsistent with the law of the foreign country where service is to be effected. Fed. R.
9 Civ. P. 4(f)(2)(C)(ii). This Court has previously ruled (in a case decided *after* the *Brockmeyer*
10 case invoked by ASUSTEK) that service by mail is contrary to Japanese Law and ineffective to
11 bring a Japanese party before this Court. *See Fireman's Fund Ins. Co. v. Fuji Elec. Sys. Co.*, No.
12 C-04-3627, 2005 WL 628034 (N.D. Cal. Mar. 17, 2005) (granting motion to dismiss for
13 insufficient service of process where complaint was served by mail on Japanese defendant). In
14 order to effect lawful service on RICOH, ASUSTEK is required to comply with the method of
15 service prescribed in the Convention on the Service Abroad of Judicial and Extrajudicial
16 Documents in Civil or Commercial Matters, Feb. 10, 1969, 20 U.S.T. 361, 362 ("the Hague
17 Convention") – something that ASUSTEK has failed to do, even though the suit was filed nearly
18 five months ago.

19 RICOH is a Japanese company with its principal place of business in Japan; RICOH
20 denies that it is subject to either specific or general jurisdiction in this judicial district. (RICOH
21 respectfully notes with regard to Civil Action No. 3:03-cv-02289-MJJ, cited by ASUSTEK, that
22 no final judgment was ever entered in that case; that the case is still pending before this Court,
23 and that RICOH has not yet had an opportunity to seek review of any aspect of that case.) .
24 Because RICOH is not subject to personal jurisdiction in this district, venue is not proper in this
25 district. RICOH has submitted a motion to dismiss this action based on lack of service of process
26 and lack of personal jurisdiction, or, in the alternative to stay or transfer the action to the Western
27 District of Wisconsin.

28 RICOH acknowledges that this Court has subject matter jurisdiction over declaratory

1 judgment actions concerning the validity and infringement of U.S. patents.

2 **2. Facts:**

3 ASUSTEK filed this action for Declaratory Judgment of Non-infringement and Invalidity
4 of United States Patent Nos. 5,063,552, 6,172,955, 6,631,109, and 6,661,755 (the "PATENTS-
5 IN-SUIT) on April 5, 2007. The PATENTS-IN-SUIT describe technologies relating to optical
6 storage devices. RICOH is the owner of record of the PATENTS-IN-SUIT by assignment.

7 On August 24, 2006, RICOH filed the prior WISCONSIN ACTION. Therein, RICOH
8 alleged that ASUSTEK "participated in a stream of commerce" between Taiwan, China and the
9 United States, including Wisconsin, whereby ASUSTEK used "purposefully selected"
10 intermediaries and distribution channels to manufacture or cause to be manufactured and shipped
11 into the United States, including Wisconsin, optical storage devices that allegedly infringe certain
12 claims of the PATENTS-IN-SUIT.

13 On January 18, 2007, ASUSTEK filed a Motion to Dismiss the WISCONSIN ACTION
14 for lack of personal jurisdiction over ASUSTEK on the grounds that the Wisconsin Long Arm
15 Statute was inapplicable as against ASUSTEK and the exercise of personal jurisdiction over
16 ASUSTEK would violate due process.

17 On April 3, 2007, the United States District Court for the Western District of Wisconsin,
18 J. Crabb presiding, issued an Opinion and Order dismissing the WISCONSIN ACTION against
19 ASUSTEK.

20 On May 18, 2007, the court in Wisconsin entered final judgment pursuant to Fed. R. Civ.
21 P. 54(b) on the issue of personal jurisdiction over ASUSTEK. RICOH filed a timely notice of
22 appeal to the Federal Circuit, where the case was docketed as No. 2007-1374. RICOH filed its
23 opening brief on July 30, 2007. ASUSTEK's brief in opposition is due September 11, 2007, and
24 RICOH's reply is due on or about September 25, 2007.

25 On August 22, 2007, the Court in the WISCONSIN ACTION entered summary judgment
26 against RICOH on all patents and all claims remaining against the other defendants in the
27 WISCONSIN ACTION. RICOH has indicated that it intends to appeal that summary judgment
28 Order and the subsequent Final Judgment entered against RICOH.

1 **3. Legal Issues:**

2 The parties agree that the legal issues for determination include: the proper construction
3 of the claims of the PATENTS-IN-SUIT; whether the PATENTS-IN-SUIT are valid, and whether
4 the PATENTS-IN-SUIT are infringed. RICOH also challenges whether it has been properly
5 served with the action in this District and whether it is subject to personal jurisdiction in this
6 District.

7 **4. Motions:**

8 This case was initially assigned to the San Jose division of the United States District Court
9 for the Northern District of California. In response to the Complaint, RICOH filed a Notice of
10 Non-Consent to the assignment of this case to Magistrate Judge Patricia Trumbull, and a Motion
11 to Dismiss for Insufficient Service, to Stay Pending Appeal, To Transfer Under § 1404(a), to
12 Decline to Entertain Declaratory Judgment Jurisdiction, and to Dismiss for Lack of Personal
13 Jurisdiction. After the case was reassigned, RICOH re-noticed the motion for a time to be
14 determined at the Case Management Conference. *See* Docket No. 25 (filed July. 24, 2007).

15 **5. Amendment of Pleadings:**

16 ASUSTEK anticipates amending its Complaint to assert that RICOH is collaterally
17 estopped from asserting United States Patent No. 6,631,109 for the reasons set forth in Paragraph
18 10 below. Furthermore, ASUSTEK reserves the right to make additional amendments should
19 such amendments become necessary. RICOH has not yet filed an answer, so consideration of
20 amendments to the answer would be premature.

21 **6. Evidence Preservation:**

22 Counsel for the parties have discussed the implementation of appropriate steps to preserve
23 evidence and each party has undertaken efforts to preserve any relevant evidence.

24 **7. Disclosures:**

25 The parties have agreed to serve their initial disclosures on September 26, 2007. The
26 parties do not anticipate any reason to otherwise change the timing for or requirement of any
27 disclosures under Rule 26(a).

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1 **8. Discovery:**

2 To date, the parties have not conducted any discovery in the instant action. The parties
3 agree that discovery will be needed on the issues raised by the pleadings, specifically including
4 the following topics:

- 5 • The proper construction of the claims of the patents in suit;
6 • Whether the patents-in-suit are valid;
7 • Whether the patents-in-suit are infringed; and
8 • Whether ASUSTEK's manufacture and sale of certain accused products is covered
9 by agreements between RICOH and Pioneer Electronics Corporation of Japan.

10 The parties anticipate that discovery related to these topics will be completed by
11 September 8, 2008. The parties agree that discovery should not be conducted in phases or
12 focused upon particular issues.

13 The parties agree that each side shall be limited to taking 100 hours of deposition
14 testimony in English. Further, the parties agree that in calculating the amount of deposition
15 testimony, 10 hours of translated testimony shall count as 7 hours of deposition testimony in
16 English.

17 While the parties anticipate that the discovery limits set forth above will be adequate to
18 permit them to prepare their respective cases, neither party waives and each party expressly
19 reserves the right to seek modification by the Court for good cause shown, of the agreements set
20 forth herein.

21 ASUSTEK's proposed discovery plan is attached hereto as Exhibit A. RICOH
22 respectfully submits discovery should be stayed and that no schedule for the case should be set
23 until this Court has ruled on RICOH's pending motion to dismiss for insufficient service of
24 process.

25 **9. Class Actions:**

26 This is not a class action.

27 **10. Related Cases:**

28 This action for Declaratory Judgment follows a Complaint for Patent Infringement that

1 RICOH filed in the Western District of Wisconsin titled *Ricoh Company Ltd. v. Asustek*
2 *Computer Inc. et al.*, Civil Action No. 06-C-0462-C (the “WISCONSIN ACTION”). In the
3 WISCONSIN ACTION, RICOH alleged that ASUSTEK manufactures, markets, sells, and offers
4 for sale products that infringe certain claims of the PATENTS-IN-SUIT. On April 3, 2007, the
5 WISCONSIN ACTION was dismissed as to ASUSTEK for lack of personal jurisdiction without
6 prejudice. RICOH filed an appeal of the dismissal of ASUSTEK in the United States Court of
7 Appeals for the Federal Circuit, No. 2007-1374. ASUSTEK’s opposition brief on appeal is due
8 on September 11, 2007.

9 At the time the instant action was filed, the WISCONSIN ACTION was still pending
10 against other defendants, including Quanta Computer Inc., Quanta Storage Inc., Quanta
11 Computer, USA, Inc., New Universe Technology, Inc., and Nu Technology, Inc. On August 22,
12 2007, Judge Crabb granted summary judgment in favor of the remaining defendants, finding the
13 asserted claims of United States Patent No. 6,631,109 invalid for obviousness; that U.S. Patent
14 No. 6,172,955, as construed by that court, was not infringed by the Quanta defendants, and
15 further finding as to United States Patent Nos. 5,063,552 and 6,661,755, that RICOH failed to
16 “adduce evidence that defendants engaged in acts necessary to support a finding in its favor for
17 any of the three theories of infringement under 35 U.S.C. § 271.” Docket No. 300, at 2.
18 ASUSTEK asserts that RICOH is collaterally estopped from asserting the patent found to be
19 invalid in the WISCONSIN ACTION. RICOH intends to appeal the Wisconsin court’s ruling and
20 notes that until all appeals have been completed, the Wisconsin court’s judgment may not
21 properly be given claim-preclusive or issue-preclusive effect.

22 **11. Relief:**

23 ASUSTEK seeks a declaration that its products have not infringed and do not infringe any
24 of the asserted claims of any PATENT-IN-SUIT; a declaration that each asserted claim of the
25 PATENTS-IN-SUIT is invalid; a permanent injunction enjoining RICOH, its respective officers,
26 agents, servants, employees, attorneys and all persons and entities acting in concert with any of
27 them from making any claim to any person or entity that ASUSTEK’s products infringe any
28 claim of the PATENTS-IN-SUIT; a permanent injunction enjoining RICOH, its respective

1 officers, agents, servants, employees, attorneys and all persons and entities acting in concert with
2 any of them from interfering with or threatening to interfere with, the manufacture, sale, license
3 or use of ASUSTEK's products by ASUSTEK, its distributors, customers, licensees, successors
4 or assigns and others; a permanent injunction enjoining RICOH, its respective officers, agents,
5 servants, employees, attorneys and all persons and entities acting in concert with any of them
6 from instituting or prosecuting any lawsuit or proceeding, or placing in issue the right of
7 ASUSTEK, its distributors, customers, licensees, successors or assigns and others to make, use,
8 sell, offer to sell or import ASUSTEK's products; a declaration that the present action is an
9 exceptional case under 35 U.S.C. § 285 and award ASUSTEK its attorneys' fees, costs and
10 expenses incurred in connection with this action; and any other relief the Court deems just and
11 proper.

12 RICOH has filed a Motion to Dismiss for Insufficient Service, to Stay Pending Appeal, to
13 Transfer Under § 1404(a), to Decline to Entertain Declaratory Judgment Jurisdiction, and to
14 Dismiss for Lack of Personal Jurisdiction.

15 **12. Settlement and ADR:**

16 ASUSTEK has proposed that the parties submit to an early mediation or judicial
17 settlement conference of the claims at issue. ASUSTEK offered to do this in the WISCONSIN
18 ACTION, but RICOH declined.

19 RICOH is not opposed to ADR at an appropriate time but submits that it would be
20 premature to consider a schedule for ADR before the Court has ruled on RICOH's pending
21 motion to dismiss for insufficient service of process.

22 **13. Consent to Magistrate Judge for All Purposes:**

23 RICOH has not agreed to consent to a magistrate judge for all purposes.

24 **14. Other References:**

25 The parties agree that this case is not suitable for reference to binding arbitration or a
26 special master.

27 **15. Narrowing of Issues:**

28 The parties have not identified any issues that can be narrowed by agreement or motion at

1 this time.

2 **16. Expedited Schedule:**

3 The parties agree that this case is not appropriate for expedited scheduling.

4 **17. Scheduling:**

5 ASUSTEK's proposed discovery plan, which includes dates for designation of experts,
6 discovery cutoff, hearing of dispositive motions, pretrial conference, and trial is attached hereto
7 as Exhibit A.

8 RICOH respectfully submits discovery should be stayed and that no schedule for the case
9 should be set until this Court has ruled on RICOH's pending motion to dismiss for insufficient
10 service of process.

11 **18. Trial:**

12 ASUSTEK has demanded a jury for the trial of this action.

13 **19. Disclosure of Non-party Interested Entities or Persons:**

14 ASUSTEK filed the "Certification of Interested Entities or Persons" contemporaneously
15 with the filing of its Complaint on April 5, 2007. The content of ASUSTEK's statement is as
16 follows: "Pursuant to Civil Local Rule 3-16, the undersigned certifies that as of this date, other
17 than the named parties, there is no such interest to report."

18 RICOH has likewise filed a certification on September 4, 2007 stating the names of the
19 members of its board of directors, in accordance with Civil L.R. 3-16.

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1 **20. Such other matters as may facilitate the just, speedy and inexpensive**
2 **disposition of this matter:**

3 (a) Electronically Stored Information

4 The parties agree that relevant information is likely to be electronically stored, and agree
5 to endeavor to produce electronically stored financial records and computer source code in its
6 native format, where practicable. To the extent information cannot be produced in its native
7 format, the parties agree to produce such information in searchable .tiff or . pdf format
8 accompanied by an appropriate Concordance or Summation load file, as the parties may request.

9 (b) Protection of Privilege and Work Product

10 The parties agree to incorporate the following provision into a Stipulated Protective Order
11 governing the production of sensitive materials:

12 Inadvertent or unintentional production of privileged documents
13 shall not constitute a waiver of the attorney-client privilege or
14 attorney work product doctrine as they apply to those documents
15 specifically or the subject matter of those documents generally. If a
16 party produces documents that it believes should have been
17 withheld as privileged, such party shall provide a written request for
18 the return of those documents within a reasonable time after having
19 actual knowledge that said documents have been produced. The
20 receiving party must then return those documents, along with any
21 copies thereof, to the producing party within ten (10) calendar days
22 of receiving such notice. The receiving party may challenge the
23 privileged nature of the recalled documents by filing a motion with
24 the Court and requesting in camera review of the documents in
25 question.

26 (c) Other Orders That Could Be Entered By the Court under Rule 26(c) or
27 Rule 16(b) and (c).

28 Each of the parties believes that information relevant to the pleadings herein is of a highly
confidential nature relating to their respective enterprises. Accordingly, the parties will seek
entry of a Stipulated Protective Order governing the disclosure of such information.

1 DATED: September 4 2007

Respectfully submitted,

2
3 By: /s/

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5 Vidya R. Bhakar
6 Shanée Y. Williams
7 PAUL, HASTINGS, JANOFKY & WALKER LLP

8 Attorneys for Plaintiffs
9 ASUSTEK COMPUTER INC. and
10 ASUS COMPUTER INTERNATIONAL

11 DATED: September 4, 2007

Respectfully submitted,

12 By: /s/

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